

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees
May 8, 2008

Members present:

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2008) – **later in the meeting**

JEB SPAULDING, Vice-Chairperson, VT State Treasurer

ROBERT HOOPER, VSEA member (term expiring September 2008) – **later in the meeting via conference call**

KEVIN GAFFNEY, VSEA member (term expiring September 2009) – **via conference call**

JAMES REARDON, Commissioner of Finance & Management

ROGER DUMAS, Vermont Retired State Employees' Assoc. (term expiring September, 2009)

DAVID HERLIHY, Commissioner of Human Resources

DICK JOHANNESSEN, Governor's Delegate

Members absent:

None

Also attending:

Donna Holden, Board Coordinator

Cynthia Webster, Director of Retirement Policy and Outreach

KAJ SAMSOM, VSEA Alternate member (term expiring September 2009)

Karl Kroner, Great West Retirement Services

Perry Christy, Great West Retirement Services

Ronald Sanville, Great West Retirement Services

The Vice Chairperson, Jeb Spaulding, called the Thursday, May 8, 2008, meeting to order at 8:35 a.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of:

- **April 10, 2008 meeting**

Mr. Johannesen made a motion seconded by Mr. Reardon, to approve the minutes of April 10, 2008, as submitted.

Mr. Spaulding advised the Board that in Item 5 of the 4/10/08 minutes he erroneously made a ruling that the motion failed after the vote was taken. Subsequent to the meeting he learned that an abstention was not counted as a vote, and that only a majority of those present were needed to approve a motion, therefore the motion did pass. He also said; however, that the matter was now a moot point since the Legislature and Governor acted, but if a member felt they wanted to raise the issue again, there was nothing to prevent such action. There was no action.

The original motion passed, 5-0-1. Mr. Dumas abstained.

Mr. Whitney arrived at the meeting.

Mr. Whitney welcomed Mr. Dumas to the Board.

Mr. Hooper joined the meeting via conference call during the next item's executive session

ITEM 2: Discuss/Act on Disability Retirement Recommendations for:

- **Richard N. Fales, Jr.**
- **Richard P. Gaun, III**
- **Fred B. Rolf**

At 8:44 a.m. Mr. Dumas made a motion to enter into executive session, pursuant to Title 1 § 313 to discuss medical records.

Mrs. Holden and Mrs. Webster were invited into the executive session.

At 8:45 a.m. the Board exited executive session.

On a motion by Mr. Johannesen seconded by Mr. Reardon, the Board unanimously voted to approve the disability retirement for Richard N. Fales, Jr., and Fred B. Rolf, as recommended by the Medical Review Board.

On a motion by Mr. Hooper seconded by Mr. Dumas, the Board unanimously voted to approve the disability retirement for Richard P. Gaun, III, as recommended by the Medical Review Board.

The Board discussed whether a review and amendments to the current disability forms, i.e. Physician's Statements, etc, would be useful. Mrs. Webster advised the Board that VSEA agreed to work with a Summer Committee on possible amendments to the disability language. The Board agreed to revisit possible changes to the forms at a later date.

Mr. Gaffney left the meeting. Mr. Samsom joined the meeting via conference call.

ITEM 3: Discuss/Act on Disability Retirement 90-day Filing Deadline Waiver Request

Mr. Hooper made a motion seconded by Mr. Reardon, to approve the disability retirement 90-day filing deadline waiver request.

Discussion ensued and Mrs. Webster provided background information. Among other items the Board discussed whether obtaining further information from the member before acting on the request would be needed.

Mr. Hooper moved to call the question, seconded by Mr. Samsom.

Mr. Spaulding made a motion to table the matter pending further information. The Chair ruled the motion out of order, and called the question to cease debate. The Board unanimously voted to cease debate.

The original motion passed 5-3. Mr. Spaulding, Mr. Johannesen, and Mr. Dumas voted no.

ITEM 4: Discuss/Act on Travel Request to NAGDCA

Mr. Whitney asked if any other Board member, or staff member, in addition to Mr. Hooper was interested in attending the annual conference.

Mr. Spaulding confirmed that Mr. Hooper had attended the conference in the prior year, and noted that while in his opinion Board members and Treasurer's Office staff were not subject to the Administration's travel ban, that it was incumbent on the Board and his office to be prudent and make every effort to adhere to the spirit of the Administration's actions. He further suggested that since Mr. Hooper had attended the conference several times, including the prior year that passing this one year would not be detrimental to his or the board's education.

Mr. Hooper and Mr. Whitney expressed their opinion that the event was most informative and useful, and that continuity in attendance from year to year was beneficial.

Mr. Whitney made a motion seconded by Mr. Johannesen, to approve Mr. Hooper's attendance at the September 13-17, 2008, NAGDCA Conference in Baltimore, MD.

Mr. Hooper made a motion seconded by Mr. Samsom to amend the original motion to add one additional member to be approved at the Chair's discretion, to attend the conference. *Amendment to the motion unanimously passed.*

The original, amended, motion passed, 5-3. Mr. Spaulding, Mr. Reardon, and Mr. Herlihy voted no.

Mr. Samsom joined the meeting in person during the next item.

ITEM 5: §457 Plan Quarterly Report

Karl Kroner appeared before the Board to provide the Q1/08 report. Mr. Kroner reported an asset balance of \$243.80 million with a total of 6,449 participants, of which 5,952 (4,170 contributing) were State employees, and 497 (370 contributing) were Municipal employees. The Plan's average per participant account balance was reported at \$37,805 with an average annual per member contribution of \$1,126.

Mr. Minot received the Board's support to review the small cap space, and if founded, bring any recommendations for changes to the Board.

Great West agreed to include analysis/performance information on the VT Stable Value account in future quarterly reports. It will be shown in the same format and include a returns track record. The Board was also provided an SDIA report, which included information regarding the \$86.71 million closed fund for 2,247 participants.

ITEM 6: §457 Plan Investment Policy Review

On a motion by Mr. Spaulding seconded by Mr. Dumas, the Board unanimously voted to adopt the amendments to the §457 Plan Investment Policy, as presented.

Mr. Hooper and Mr. Whitney left during the next item.

ITEM 7: **Discussion of §457 Plan Topic: *State of the Industry***

Mr. Christy appeared before the Board and provided review and discussion of the materials distributed.

The Board agreed to devote more time and continue a more in-depth discussion on many of the topics at a later date.

ITEM 8: **Legislative Update**

This item was postponed until the next meeting.

ITEM 9: **Any Other Retirement Business to Come Before the Board**

None

ITEM 10: **Adjournment**

On a motion by Mr. Dumas seconded by Mr. Samsom, the Board unanimously voted to adjourn at 11:45 a.m.

Next Meeting Dates:

The next scheduled VSERS conference call meeting is June 12, 2008

The next scheduled full VPIC meeting is scheduled for May 29, 2008.

Respectfully submitted,

Donna Holden, Board Coordinator
for Cynthia Webster, Secretary to the Board